

*The following sections of code are proposed to be rewritten  
and moved to Title 17D, Chapter 1.  
The sections below would be repealed.*

## **Special Service Districts**

**Title 17A, Chapter 2, Part 13**  
(Text is current through the 2007 General Session)

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**17A-2-1301. Short title.**

This part shall be known and may be cited as the "Utah Special Service District Act."

**17A-2-1302. Definitions.**

As used in this part:

- (1) "County" means a county of this state and includes any such county regardless of the form of government under which it is operating.
- (2) "Facility" or "facilities" means any structure, building, system, land, water right, and other real and personal property required to provide any service authorized by Section 17A-2-1304, including, without limitation, all related and appurtenant easements and rights-of-way, improvements, utilities, landscaping, sidewalks, roads, curbs and gutters, and equipment and furnishings.
- (3) "Governing authority" means the board or body, however designated, in which the general legislative powers of a county, municipality, or improvement district are vested.
- (4) "Guaranteed bonds" mean bonds the annual debt service on which is or will be guaranteed by one or more taxpayers owning property within the boundaries of the service district.
- (5) "Improvement district" means an improvement district established under Chapter 2, Part 3, County Improvement Districts for Water, Sewerage, Flood Control, Electric and Gas.
- (6) "Municipality" means a city or town of this state.
- (7) "Service district" means a special service district established in the manner provided by this part under Article XIV, Section 8 of the Constitution of Utah.

**17A-2-1303. Purpose.**

The purpose of this part is to:

- (1) implement the provisions of Article XIV, Sec. 8, Utah Constitution by providing authority for the establishment and operation of service districts within a county or municipality; and
- (2) allow service districts created under this part to create and administer improvement districts under Chapter 3, Parts 2 and 3.

**17A-2-1304. Establishing special service districts -- Improvement districts within special service districts.**

- (1) (a) A county or a municipality may establish a special service district for the purpose of providing within the area of the special service district any of the following services or any combination of them:
  - (i) water;
  - (ii) sewerage;
  - (iii) drainage;
  - (iv) flood control;
  - (v) garbage;
  - (vi) health care;
  - (vii) transportation;
  - (viii) recreation;
  - (ix) fire protection and, if fire protection services are provided, emergency medical or ambulance or both;
  - (x) providing, operating, and maintaining jail facilities for the confinement of municipal, state, and other detainees and prisoners;
  - (xi) street lighting;
  - (xii) consolidated 911 and emergency dispatch;
  - (xiii) animal shelter and control; and
  - (xiv) receiving federal mineral lease funds under Title 59, Chapter 21, Mineral Lease Funds, and expending those funds to provide construction and maintenance of public facilities, traditional governmental services, and planning, as a means for mitigating impacts from extractive mineral industries.
- (b) Snow removal services may be provided in special service districts established under this section to more effectively carry out the purposes of those special service districts.
- (c) These services may be provided through facilities or systems acquired or constructed for that purpose through construction, purchase, lease, contract, gift, or condemnation or any combination of the above.

- (d) Special service districts may contract with a franchised, certificated public utility for the construction and operation of an electrical service distribution system within the special service district.
- (2) (a) The area within any special service district may include all or any part of the county or municipality that established it except that:
  - (i) a special service district may not include the area of any other special service district established by the same county or municipality that is now providing the same service proposed to be supplied by the new special service district;
  - (ii) a special service district established by a county may contain all or a part of any municipality or of an existing improvement district that provides the same service proposed to be provided by the special service district, but only with the consent of the governing authority as provided in a resolution or ordinance adopted by the governing authority; and
  - (iii) a special service district may not include any area not directly benefitted by the services provided under this section without the consent of the nonbenefitted landowner.
- (b) All parts of a special service district need not be contiguous.
- (3) (a) As provided in Section 17A-2-1315, the governing authority of any special service district created under this part may create one or more improvement districts within the boundaries of the special service district by following the procedures in, and meeting the requirements of, Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah Municipal Improvement District Act.
- (b) The intent to create an improvement district need not be present at the time a special service district is organized.
- (c) Any improvement district created within the boundaries of a special service district may only be organized to undertake projects or improvements for which the special service district creating that improvement district was organized.
- (d) The special service district shall meet all procedural requirements for creating an improvement district at the time the improvement district is created, as provided in Section 17A-2-1315 and in Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah Municipal Improvement District Act.
- (e) In determining whether or not a project or improvement undertaken by an improvement district is within the scope of the purposes for which the special service district creating that improvement district was organized, any project or improvement reasonably related to the purposes for which the special service district creating that improvement district was organized is considered to be within the scope of those purposes.

- (4) The creation of a special service district to provide jail services as provided in Subsection (1)(a)(x) does not affect the ability of a municipality under Section 10-8-58 to provide, operate, and maintain facilities for the temporary incarceration, not to exceed 72 hours, of persons charged with the violation of a municipal ordinance.

**17A-2-1305. Establishment of district by resolution based on motion or petition.**

- (1) The governing authority of a county or of a municipality, upon its own motion, may by resolution declare that the public health, convenience, and necessity requires the establishment of a service district. The resolution shall describe the boundaries of and the services to be provided within the proposed service district and shall designate a name for the proposed service district.
- (2) The governing authority of a county or municipality shall adopt such a resolution, upon presentation to the governing authority of a petition proposing the establishment of a service district and setting forth the boundaries of and the services to be provided within the proposed service district, if the petition is approved by the owners of 10% or more of the taxable value of the taxable property included in the proposed service district (as shown on the assessment rolls last completed before the signing of the petition) or by 10% or more of the qualified electors of the proposed service district (as shown on the registration lists last made or revised). Approval of the petition shall be evidenced by one or more writings, attached to a copy of the petition, signed by the property owners or electors and so designated, together with their residence address and, in the case of property owners, the address of or other description sufficient to identify the property in the proposed service district owned by them. Signatures need not be notarized or witnessed, and signers need not be sworn; but all persons signing are considered to have represented that they are property owners or qualified electors of the proposed service district, as the case may be.

**17A-2-1306. Resolution proposing district to include part of another subdivision or district -- Action by governing body of other entity -- Jurisdiction on approval.**

- (1) If the service district proposed to be established by a county includes any part of another county or counties or of an improvement district which is providing the service proposed to be provided by the service district, or if proposed by a municipality, includes any part of another municipality or municipalities or of an improvement district which is providing the service proposed to be provided by the service district, the resolution provided for in Section 17A-2-1305 shall further state the name or names of the other county or counties, municipality or municipalities, or improvement district, and the areas within them proposed to be included within the service district. A certified copy of the

resolution shall then be presented to the governing authority of the county or counties, municipality or municipalities, or improvement district, as the case may be. It shall be the duty of such other governing authority or authorities to consider the resolution and to either approve or reject the same; but if no action has been taken within 30 days after the delivery of this certified copy to the other governing authority or authorities, the resolution shall be deemed rejected.

- (2) If the resolution is rejected or is deemed rejected, the county or municipality which adopted the resolution shall then amend the resolution to delete the areas within the other county or counties, municipality or municipalities, or improvement district as shall have rejected the resolution or, in the case of an improvement district, to delete the service or services which are provided by the improvement district. If the resolution is approved by the other governing authority or authorities, or if the deletions have been made as provided in this Subsection (2), the governing authority of the county or municipality adopting the original resolution shall thereafter have complete jurisdiction of the entire service district and its creation and operation and shall proceed as provided in this part in all respects as though only a single county or municipality, as the case may be, were involved.

**17A-2-1307. Notice of intention to establish district -- Hearing.**

Before a service district may be established, the county clerk, city recorder, or town clerk, as the case may be, shall give notice of the intention of the county or municipality to establish the service district. The notice of intention shall describe the boundaries of the service district, shall generally describe the type or types of services proposed to be provided within the service district, shall state that taxes may be annually levied upon all taxable property within the service district and that fees and charges may be imposed to pay for all or a part of the services to be provided by the service district, and shall designate a time and place for a public hearing on the establishment of the service district. The notice of intention may contain such other information concerning the proposed service district as the governing authority deems necessary or appropriate.

**17A-2-1308. Publication of notice.**

The notice of intention to establish a service district shall be published at least once a week during three consecutive weeks, the first publication to be not less than 21 days nor more than 35 days before the hearing, in a newspaper having general circulation in the county or municipality proposing the establishment of the service district; except for service districts located entirely within a city of the third, fourth, or fifth class or a town where there is no newspaper published in the city or town, the governing authority of that city or town may

provide that the notice of intention may be given by posting in lieu of publication of the notice. In this event the notice of intention shall be posted by the city recorder, town clerk, or other officer designated by the governing authority in at least five public places in the city or town at least 21 days before the hearing. If the service district proposed to be established by a county includes any part of another county or counties or improvement district or if proposed by a municipality includes any part of another municipality or improvement district, the notice of intention shall also be published or posted in each such other county or counties, municipality or municipalities, or improvement district, as the case may be.

**17A-2-1309. Protests -- Procedures -- Effect.**

- (1) (a) Any interested person may protest the establishment of a service district or the furnishing of specified types of services within a service district.  
(b) Protests may be made:
  - (i) orally at the hearing, or in writing at the hearing;
  - (ii) any time prior to the hearing; or
  - (iii) within 15 days after the conclusion of the hearing.
- (2) Any withdrawal of protest, or cancellation of withdrawal, must be filed within 30 days after the public hearing.
- (3) At the place, date, and time specified for the hearing in the notice of intention, the county or municipal governing authority shall:
  - (a) give full consideration to all protests that have been filed; and
  - (b) hear and consider all interested persons desiring to be heard.
- (4) The governing authority may continue the hearing to another date and time if necessary.
- (5) The governing authority shall abandon the proposed establishment of the special service district or eliminate those types of services objected to within the service district, if written protests against establishing the service district or against types of services proposed to be offered by the district are filed by:
  - (a) more than 50% of the qualified voters of the territory proposed to be included within the service district; or
  - (b) the owners of more than 50% of the taxable value of the taxable property included within the proposed service district.
- (6) The governing authority may consider the voter registration records of the county as conclusive evidence of residency in the service district.

**17A-2-1310. Petition or protest -- Corporation or property held by more than one person.**

The petition provided for in Section 17A-2-1305 made by the owners of the taxable property in the proposed service district, and any protest permitted by Section 17A-2-1309 made by the owners of the taxable property in the proposed service district, signed on behalf of a corporation owning property in the proposed service district shall be sufficient if it is signed by the president, vice-president, or any duly authorized agent of the corporation. Where title to any property is held in the name of more than one person, all of the persons holding title to it must join in the signing of the petition or protest.

**17A-2-1311. Adoption of resolution -- Notice to lieutenant governor -- Judicial review.**

- (1)
  - (a) After conclusion of the hearing, and after the time for filing protests as provided in Section 17A-2-1309 has expired, the governing authority shall adopt a resolution either approving the establishment of the special service district or determining that the proposal to establish it should be abandoned.
  - (b) A resolution approving the establishment of a special service district may contain any changes from the initial resolution or notice of intention the governing authority determines to be appropriate, including reduction of the boundaries of the special service district and elimination of one or more of the types of services proposed.
  - (c) The boundaries of the special service district may not be increased nor additional types of services added, unless the governing authority gives a new notice of intention and holds a new hearing.
  - (d) All or a part of the area of an abandoned special service district may be included in a new special service district established in the manner provided in this part.
- (2)
  - (a) Within 30 days after adopting a resolution approving the establishment of a special service district under Subsection (1), the governing authority shall file a notice with the lieutenant governor.
  - (b) Each notice under Subsection (2)(a) shall:
    - (i) be accompanied by:
      - (A) a copy of the resolution adopted by the governing authority approving the establishment of the special service district; and
      - (B) a map showing the boundaries of the special service district, prepared and certified by a licensed surveyor and filed with the county surveyor in accordance with Section 17-23-17; and
    - (ii) include a certification by the governing authority that all requirements for the establishment of a special service district have been complied with.
  - (c) Upon the lieutenant governor's issuance of the certificate of creation under Section 67-1a-6.5, the special service district is created and incorporated.

- (3) After a special service district is established, a person may petition the district court for a writ of review of the actions of the governing authority in establishing the district if:
  - (a)
    - (i) the person filed a written protest; or
    - (ii) the person filed a written protest, withdrew the protest, and then cancelled the withdrawal; and
  - (b)
    - (i) the person is a qualified voter residing within the district; or
    - (ii) the person is a qualified voter whose property has been included within the boundaries of the special service district; and
  - (c) the petition is filed within 30 days after the date of the resolution establishing the special service district; and
  - (d)
    - (i) the petition alleges that the person's property will not be benefitted by one or more of the services to be provided by the special service district; or
    - (ii) the petition alleges that the procedures used to establish the special service district violated the law.
- (4) If a petition for a writ of review is not filed within the time limits established by this section, owners of property and qualified voters within the special service district may not object to the establishment of the district.
- (5) The governing authority may consider the voter registration records of the county as conclusive evidence of residency in the special service district.

**17A-2-1312. General obligation bonds authorized by petition of property owners -- Contest.**

- (1) With respect to any service district established under this part, if there is no individual residing in the service district, such that compliance with the election requirements of the Utah Constitution and Section 11-14-201 is otherwise impossible, then, 75% of the owners of real property located in the district, as shown on the most recent assessment roll of the county or municipality, as the case may be, may by written petition require the governing body of the county or municipality which established the service district to issue general obligation bonds pledging the full faith and credit of the district in an amount which may lawfully be issued by the district but not to exceed the amount set forth in the petition. Except for the election provisions of Title 11, Chapter 14, Local Government Bonding Act, the bonds required to be issued shall be issued in accordance with Title 11, Chapter 14, Local Government Bonding Act. Any such petition to require issuance of bonds shall be equivalent to and have the same force and effect as an election approving the issuance of the bonds by a majority of the qualified electors of the district.

- (2) Upon receiving the petition described in Subsection (1), the governing body of the county or municipality which established the district shall proceed to issue the bonds in accordance with Title 11, Chapter 14, Local Government Bonding Act.
- (3) The determination by the governing body that 75% of the owners of real property located in the district have duly filed a written petition requiring the issuance of bonds as provided in Subsection (1), shall be conclusive in any action or proceeding involving the validity of the petition or the district's authority to issue the bonds instituted after the expiration of the period provided in Subsection (4), for the filing of actions contesting the validity of the bonds and after the date of delivery of and payment for any part of the bonds.
- (4) When the validity of any bond issue under this section is contested, the plaintiff or plaintiffs shall, within 40 days after the validity of the petition has been declared by the governing body, file with the clerk of the district court of the county in which the district is located, a verified written complaint setting forth specifically:
  - (a) the name of the party contesting the issuance of the bonds, and that he is an owner of property within the district; and
  - (b) the grounds of such contest. No such contest may be maintained and the issuance of the bonds may not be set aside or held invalid unless such a complaint is filed within the period prescribed in this section.

**17A-2-1313. Service district as separate body politic -- Supervision and control by governing authority.**

- (1) A special service district established under this part is a separate body politic and corporate and a quasi-municipal public corporation distinct from each county or municipality in which the service district is located.
- (2) The governing authority of the county or municipality in which the service district is located shall control and have supervisory authority over all activities of the service district but may delegate:
  - (a) to an administrative control board established under Section 17A-2-1326 or to designated officers or employees (who may, but need not be, officers or employees of the county or municipality which established the service district), the performance of any such activities and the exercise of any rights, powers, and authority of the service district; and
  - (b) to designated officers or employees all rights, powers, and authority that may be delegated to an administrative control board established under Section 17A-2-1326.

**17A-2-1314. Rights, powers, and authority of special service district.**

- (1) In addition to all other rights, powers, and authority granted by law or by other provisions of this part, a service district has the following rights, powers and authority:
  - (a) The right to sue and be sued.
  - (b) The power to exercise all powers of eminent domain possessed by the county or municipality which established the service district.
  - (c) The power to enter into contracts considered desirable by the governing authority of the service district to carry out the functions of the service district, including, without limitation, the power to enter into contracts with the government of the United States or any of its agencies, the State of Utah, counties, municipalities, school districts, and other public corporations, districts, or political subdivisions including institutions of higher education. These contracts may include, without limitation, provisions concerning the use, operation, and maintenance of any facilities of the service district and the collection of fees or charges with respect to commodities, services, or facilities provided by the service district.
  - (d) The power to acquire or construct facilities, to purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use, finance, and otherwise deal in and with real and personal property, or any interest in them, wherever situated, either within or outside of the service district, including water and water rights, and including the power to acquire other than by condemnation property or interests in property owned or held by institutions of higher education.
  - (e) The power to sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of or contract with respect to the use, operation, and maintenance of, all or any part of its property and assets, including water and water rights.
  - (f) The power to accept governmental grants, loans, or funds and to comply with the conditions of them.
  - (g) The right to utilize any officers, employees, property, equipment, offices, or facilities of the county or municipality which established the service district, and for which the governing authority of the service district shall reimburse the county or municipality from service district funds, a reasonable amount for the services so rendered or for the property, equipment, offices, or facilities so used.
  - (h) The right to employ officers, employees, and agents for the service district, including engineers, accountants, attorneys, and financial consultants, and to fix their compensation.
  - (i) The right to adopt an official seal for the service district.

- (2) The county legislative body shall by ordinance establish those classes of contracts of a service district which shall be subject to the requirements of Title 11, Chapter 39, Building Improvements and Public Works Projects, or of any law hereafter enacted for the same purpose.
- (3) The governing authority of a municipality shall by ordinance establish those classes of contracts of a service district which shall be subject to the requirements of Title 11, Chapter 39, Building Improvements and Public Works Projects, or of any law hereafter enacted for the same purpose.
- (4) (a) A special service district is, to the same extent as if it were a local district, subject to and governed by:
  - (i) Sections 17B-1-105, 17B-1-107, 17B-1-108, 17B-1-109, 17B-1-110, 17B-1-111, 17B-1-112, 17B-1-113, and 17B-1-116;
  - (ii) Sections 17B-1-304, 17B-1-305, 17B-1-306, 17B-1-307, 17B-1-310, 17B-1-312, and 17B-1-313;
  - (iii) Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts;
  - (iv) Title 17B, Chapter 1, Part 7, Local District Budgets and Audit Reports; and
  - (v) Title 17B, Chapter 1, Part 8, Local District Personnel Management.
- (b) For purposes of applying the provisions listed in Subsection (4)(a) to a special service district, each reference in those provisions to the local district board of trustees means:
  - (i) the legislative body of the county, city, or town that established the special service district, to the extent that the county or municipal legislative body has not delegated authority to an administrative control board appointed under Section 17A-2-1326; or
  - (ii) the administrative control board of the special service district, to the extent that the county or municipal legislative body has delegated authority to an administrative control board appointed under Section 17A-2-1326.

**17A-2-1315. Designation of assessment area by special service district.**

In addition to all other rights, powers, and authority granted by law or by other provisions of this part, a special service district under this part may designate an assessment area and levy an assessment as provided in Title 11, Chapter 42, Assessment Area Act.

**17A-2-1316. Borrowing power -- Issuance of bonds and notes -- Use of proceeds.**

- (1) A service district may borrow money and incur indebtedness, issuing its bonds or notes therefor, including, without limitation:

- (a) bonds payable in whole or in part from taxes levied on the taxable property in the service district;
  - (b) bonds payable from revenues derived from the operation of revenue-producing facilities of the service district;
  - (c) bonds payable from both such revenues and taxes;
  - (d) guaranteed bonds, payable in whole or in part from taxes levied on the taxable property in the service district;
  - (e) tax anticipation notes;
  - (f) bond anticipation notes;
  - (g) refunding bonds; and
  - (h) bonds payable in whole or in part from mineral lease payments as provided in Section 11-14-308.
- (2) Tax anticipation notes are notes issued in anticipation of the collection of taxes and other revenues of a service district which are due and payable in not more than one year from their date of issue and, together with all other such notes then outstanding, do not exceed the estimated amount of taxes and other revenues to be collected from the date of issue until maturity.
- (3) Bond anticipation notes are notes issued in anticipation of the receipt of the proceeds of bonds of the service district.
- (4) All these bonds and notes shall be issued and sold in the manner, at either public or private sale, shall be in the form, and signed by the person or persons, who may, but need not, be officers of the county or municipality which established the service district and generally shall be issued in the manner and with the details as is provided for in proceedings of the governing authority of the service district authorizing the issuance of the bonds or notes; but all these bonds and notes and the interest on them shall be exempt from all taxation in this state, except for the corporate franchise tax, and all these bonds and notes may contain those terms and provisions as are permitted by and shall be issued in compliance with Title 11, Chapter 14, Local Government Bonding Act.
- (5) The proceeds of bonds or notes issued under the authority of this part shall be used to pay the costs of acquisition or construction of service district facilities or the providing of services including, without limitation:
- (a) all costs of planning, designing, acquiring, and constructing a facility, including architectural, planning, engineering, legal, and fiscal advisor's costs;
  - (b) all costs incident to the authorization and issuance of the bonds or notes, including accountants' fees, attorneys' fees, financial advisors' fees, underwriting fees, including underwriting fees or bond discount, and other professional services and printing costs;

- (c) interest estimated to accrue on bonds or notes for a reasonable time before, during, and for a reasonable time after the completion of the acquisition or construction of the facilities or services; and
- (d) all amounts deemed necessary to establish one or more bond reserves and maintenance, repair, replacement, contingency funds and accounts, and all amounts necessary to provide working capital for the facility.

**17A-2-1317. Bonds payable from taxes -- Limitations.**

Bonds of a service district which by their terms are payable in whole or in part from taxes may not be issued in an amount which, when added to the then outstanding bonds of the service district similarly payable from taxes, exceeds 12% of the fair market value, as defined under Section 59-2-102, of the taxable property in the service district. For purposes of this section, the fair market value of all tax equivalent property, as defined in Section 59-3-102, shall be included as a part of the fair market value of taxable property in the service district. The fair market value shall be computed from the taxable values shown on the assessment rolls of each county in which the service district is located as last equalized prior to the issuance of the bonds and by converting these taxable values to fair market value, using for that purpose the appropriate multiple based on the statutory assessment ratio provided by law. Tax anticipation notes, bond anticipation notes, and bonds of the service district payable solely from revenues derived from the operation of revenue-producing facilities of the district may not be included as outstanding bonds for purposes of limitation.

**17A-2-1318. Guaranteed bonds.**

- (1) Guaranteed bonds may be issued in addition to and in excess of the 12% limitation provided for in Section 17A-2-1317, but only upon the conditions provided for in Subsections (2) and (3).
- (2) There shall have been filed with and approved by the Governor's Office of Economic Development the following:
  - (a) a report to the service district proposing to issue the guaranteed bonds from qualified registered architects or engineers or other persons qualified by experience as may be appropriate to the project involved, setting forth:
    - (i) the estimated or, if available, the actual cost of acquisition, construction, and equipment of the project financed or to be financed including a description of the project;
    - (ii) the principal amount of guaranteed bonds to be issued, the date and amount of each stated maturity of them and, set forth separately, the same information with respect to any guaranteed bonds of the service district as

may be outstanding, including as to such outstanding guaranteed bonds the rates of interest they bear;

- (iii) the amount and the estimated amount of the annual debt service for each year during the life of all guaranteed bonds issued and then intended to be issued to finance all or any part of the project; and
  - (iv) the date or estimated date of the completion of the project;
  - (b) a copy, certified by the recording officer of the governing authority of the service district of the proposed guarantee by one or more taxpayers owning property within the boundaries of the service district of debt service on the guaranteed bonds, together with an opinion of counsel to the effect that the guarantee, when executed, will be the legal and binding obligation of the taxpayer or taxpayers in accordance with its tenor and terms; and
  - (c) evidence satisfactory to the Governor's Office of Economic Development from the taxpayer or taxpayers guaranteeing the bonds as to the financial ability of the taxpayer or taxpayers to perform under the guarantee.
- (3) If the Governor's Office of Economic Development approves the issuance of the guaranteed bonds, it shall indicate its approval upon a duplicate original of the proceedings and return the same to the service district. Upon the filing of this approval in the office of the county recorder in which the governing authority is located, the principal amount of guaranteed bonds may be issued, but only upon compliance with the election requirements of Section 17A-2-1322.
- (4) If the principal amount of any guaranteed bonds which having once been issued, remain outstanding but by their terms no longer enjoy the benefit of the guarantee, shall be included in the determination of bonded indebtedness for the purpose of the 12% limitation contained in Section 17A-2-1317. The service district shall on July 1st of each year file with the department of community affairs a report certifying:
- (a) the total amount of bonds and other debt then outstanding and subject to the 12% limitation of Section 17A-2-1317;
  - (b) the total amount of guaranteed bonds then outstanding and not subject to such 12% limitation; and
  - (c) the total amount of bonds which, during the preceding 12 months, were deemed by their terms to no longer enjoy the benefit of the guarantee.

**17A-2-1319. Service district indebtedness not enforceable against state, county, municipality, school district, other public corporations.**

Bonds, notes, or other obligations or indebtedness of a service district, whether or not payable from taxes, shall in no event be considered an obligation or indebtedness of and

shall not be enforceable against the state of Utah or any county, municipality, school district, or other public corporation, district, or political subdivision in which the service district or any part of it is located and shall not be taken into account in computing any limitation on indebtedness of the state of Utah or of any such county, municipality, school district, or other public corporation, district, or political subdivision.

**17A-2-1320. Fees or charges -- Penalties for delinquencies.**

- (1) (a) Except as provided in Subsection (3), the governing authority of a service district may enact a resolution or ordinance that imposes fees or charges for any commodities, services, or facilities provided by the service district.
  - (b) (i) The governing authority may collect those fees or charges, and may pledge all or part of the revenues from those fees and charges to the payment of any bonds issued by the service district, whether the bonds are issued as revenue bonds, guaranteed bonds, or as general obligations of the district.
  - (ii) When revenue bonds are issued payable solely from the fees and charges authorized by this subsection, the fees and charges shall be sufficient to carry out any provisions of the resolution or ordinance authorizing the issuance of the revenue bonds, including provisions for payment of the principal of and interest on the bonds, the operation and maintenance of the facilities, and the establishment and maintenance of appropriate reserve funds while these bonds are outstanding.
- (2) (a) The governing authority may adopt rules to assure the proper collection and enforcement of all fees and charges imposed by this section.
  - (b) (i) The governing authority may assess and collect penalties and interest if the fees and charges are not paid when due.
  - (ii) Any penalty or interest on delinquent charges assessed under the authority of this subsection shall be the same as applied to delinquent real property taxes for the year in which the fee or charge became delinquent.
  - (c) When more than one commodity, service, or facility is furnished by the district, the fees and charges for all commodities, services, and facilities may be billed to the user in a single bill.
  - (d) All or any of the commodities, services, and facilities furnished to a user by the service district may be suspended if any fees or charges due the service district are not paid in full when due.
- (3) A special service district that provides jail service as provided in Subsection 17A-2-1304(1)(a)(x) may not impose any fee or charge under this section for the service it provides.

**17A-2-1321. Delinquent fees and charges.**

- (1) Except as provided in Subsection (3), the governing authority of a special service district may, by ordinance or resolution, provide that fees and charges for garbage or fire protection services supplied by the special service district shall, if not paid when due, be certified to the treasurer and assessor of the county in which the delinquent premises are located.
- (2) These delinquent fees and charges, together with penalties and applicable interest shall, immediately upon this certification, become a lien on the delinquent premises on a parity with and collected at the same time and in the same manner as general county taxes that are a lien on the premises.
- (3) This section does not apply to a special service district's fees and charges if the governing authority of the county or municipality that established the special service district levies a tax for district purposes on taxable property within the special service district under Section 17A-2-1322.

**17A-2-1322. Tax levy and bonds -- Approval by majority of electors voting in election -- Procedure for election.**

- (1)
  - (a) Except as provided in Subsection (1)(b), the governing authority of a county or municipality which has established a service district may levy a tax on all taxable property within the service district in addition to all other taxes on such property levied or imposed by the county or municipality or by any other public corporation, district, or political subdivision in which the service district is located, and may also issue bonds payable in whole or in part from these taxes. No tax may be levied and no bonds or guaranteed bonds shall be issued, however, unless authorized, except as otherwise provided in Section 17A-2-1325, by a majority of the qualified electors of the service district voting at an election for that purpose held as provided in this section.
  - (b) The governing authority of a county or municipality may not levy a property tax under Subsection (1)(a) if the services provided by the special service district established by the county or municipality include economic development, as provided in Subsection 17A-2-1304(1)(a)(xiv).
- (2) The proposition to levy the tax or to issue the bonds shall be submitted to the qualified electors of the service district at an election called and held and for which notice is given in the same manner as is provided in Title 11, Chapter 14, Local Government Bonding Act, for the holding of bond elections. The proposition shall state the purpose or purposes for which the taxes are to be levied or the bonds are to be issued. In addition, a proposition for the issuance of bonds shall state the maximum amount of bonds to be

issued, the maximum number of years from their respective dates for which the bonds may run, and, if the bonds are to be payable in whole or in part from taxes, that fact and that taxes may be levied on all taxable property in the service district to pay the principal of and interest on the bonds. The purpose or purposes may be stated in general terms and need not specify the particular projects or services for which the taxes are to be levied or the bonds are to be issued nor the specific amount of the proceeds of the taxes or of the bonds to be expended for each project or service. If bonds are to be payable in part from tax proceeds and in part from the operating revenues of the service district or from any combination of them, the proposition shall so indicate but need not specify how the bonds are to be divided as to source of payment. If the bonds are to be issued as guaranteed bonds, the proposition shall also clearly state that fact together with the name or names of the guarantors. A proposition for the levy of taxes and for the issuance of bonds may be combined as a single proposition.

- (3) (a) A tax levied under this section shall be the sole source of funding for a special service district that provides jail service as provided in Subsection 17A-2-1304(1)(a)(x).
- (b) Each tax levied under this section for a special service district that provides jail service as provided in Subsection 17A-2-1304(1)(a)(x) shall be considered to be levied by the county for purposes of the county's tax limitation under Section 59-2-908.

**17A-2-1323. Intent of Legislature regarding bond elections -- Validation of elections.**

It is the intent of the Legislature that bonds be approved only by a majority of the electors voting in the election as provided in other sections of the chapter rather than a majority of all electors. It is also the intent of the Legislature that any bond elections held by a special district since May 10, 1983, be validated and ratified if the bonds were authorized by a majority of the electors voting in the election.

**17A-2-1324. Effect of voter approval.**

When approved by a majority of the qualified electors of the service district voting at an election for that purpose:

- (1) A proposition for the issuance of bonds shall be full authorization for the issuance of bonds for the purposes, up to the maximum amount and for the period provided for in the proposition, and also, if the bonds are to be payable in whole or in part from taxes, shall be full authorization for the levy of these taxes, without limit as to rate or amount, as may be necessary to pay the principal of and interest on such bonds;

- (2) A proposition for the levy of taxes shall be full authorization for the levy of taxes for the purpose or purposes as are stated in the proposition, the levy to be at such rate or rates, in such amount or amounts and for such period of time as the governing authority of the county or municipality shall determine to be appropriate, subject, however, to any limitations on these rates, amounts and period as may be expressly stated in the proposition; and
- (3) A combined proposition for the levy of taxes and for the issuance of bonds shall grant the same authority as if submitted in separate propositions.

**17A-2-1325. Exceptions to election requirements.**

The election provided for in Section 17A-2-1322 shall not be required for the issuance by the service district of:

- (1) bonds payable solely from revenues derived from the operation of revenue-producing facilities of the district or which are otherwise not payable from taxes levied on the taxable property in the service district;
- (2) tax anticipation notes;
- (3) bond anticipation notes; or
- (4) refunding bonds.

**17A-2-1326. Administrative control board -- Powers -- Compensation.**

- (1) (a) The legislative body of a municipality or county that has established a special service district may, by resolution adopted at the time of the establishment or at any time afterwards, create an administrative control board for the special service district.
- (b) (i) Except as provided in Subsection (1)(f), each administrative control board shall consist of at least three and no more than seven persons.
- (ii) (A) If a county establishes a service district that includes all or part of one or more municipalities or one or more improvement districts organized under Title 17A, Chapter 2, Part 3, County Improvement Districts for Water, Sewerage, Flood Control, Electric, and Gas, to provide the same service as the service district, the municipality or improvement district may appoint one member to represent it on any administrative control board created.
- (B) A member appointed under Subsection (1)(b)(ii)(A) may, but need not, be a qualified elector of the service district.
- (c) (i) If a service district is providing commodities, services, or facilities to an institution of higher education, that institution may appoint the number of

members necessary to assure that it has at least 1/3 of the total of the board members to represent it on the board.

- (ii) Members appointed under Subsection (1)(c)(i) may, but need not, be qualified electors of the service district.
- (d) The number of members of the administrative control board shall be increased by the number of improvement district, municipal, or institution of higher education members appointed.
- (e)
  - (i) Except as provided in Subsections (1)(b)(ii)(B), (c)(ii), and (e)(ii), each member of an administrative control board shall be a qualified elector of the service district.
  - (ii) A member of an administrative control board may be other than a qualified elector of the service district if at least 90% of the owners of property located within the service district are not qualified electors of the service district.
- (f) Notwithstanding Subsection (1)(b), if a special service district established by a county of the first class provides jail services as provided in Subsection 17A-2-1304(1)(a)(x), the administrative control board of that special service district shall consist of nine members, three of whom shall be selected from a list of at least six recommendations from the county sheriff, three of whom shall be selected from a list of at least six recommendations from the municipalities within the county, and three of whom shall be selected from a list of at least six recommendations from the county executive.
- (2) Members of the administrative control board other than improvement district, municipal, or institution of higher education members shall be either appointed or elected as provided in Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.
- (3)
  - (a) If a service district was established to provide either water or sewerage service or both, the governing authority may by resolution adopted at or after the time of establishment, or if the service district was established before March 29, 1983, or within 90 days after that date, create an administrative control board according to Subsection (1).
  - (b) A resolution creating a service district for water or sewerage purposes adopted under Section 17A-2-1305 after March 29, 1983, shall identify all existing water and sewerage districts within the area of the proposed service district.
- (4)
  - (a) One-half of the members initially elected or appointed shall serve two-year terms and 1/2 shall serve four year terms.
  - (b) The initial terms shall be determined by lot.
- (5)
  - (a) The legislative body of the municipality or county that established the service district may, by resolution, delegate any of its powers to the administrative control

board, including the power to act as the governing authority of the service district and to exercise all or any of the powers provided for in Sections 17A-2-1314, 17A-2-1316, 17A-2-1320, and 17A-2-1321.

- (b) Notwithstanding anything to the contrary in this part, the legislative body of the municipality or county may not delegate the power to:
  - (i) levy a tax on the taxable property of the service district;
  - (ii) issue bonds payable from taxes;
  - (iii) call or hold an election for the authorization of the tax or bonds;
  - (iv) levy assessments;
  - (v) issue interim warrants or bonds payable from those assessments; or
  - (vi) appoint a board of equalization under Section 11-42-404.
- (6) The county or municipal legislative body that created the district may revoke in whole or in part any power or authority delegated to an administrative control board or other officers or employees.
- (7) Administrative control board members may receive compensation and reimbursement of expenses as provided in Section 17B-1-307 to the same extent as if they were members of a board of trustees of a local district.
- (8) If the legislative body of a county of the first class establishes an administrative control board under this section for a special service district that provides jail service as provided in Subsection 17A-2-1304(1)(a)(x), the administrative control board may review and approve any amount charged to the special service district as reimbursement to the county for services provided under Subsection 17A-2-1314(1)(g) before the amount is included in the special service district budget.

**17A-2-1327. Adding additional services -- Annexing additional area -- Notice to lieutenant governor.**

- (1) Subject to the provisions of Subsections (2) and (3), after the establishment of a special service district, additional services from that specified in the resolution establishing the district may be added and additional area from that specified in the resolution may be annexed to the district by using the procedure provided for in this part for the establishment of the district with appropriate changes in the wording of the required instruments.
- (2) (a) Notwithstanding Subsection (1), additional services may not be added and additional area may not be annexed to the special service district and the governing authority shall abandon the additional services or annexation proceedings if written protests are filed at or before the hearing by:

- (i) with respect to proceedings to add services:
      - (A) the owners of more than 50% of the taxable value of the taxable property within the district; or
      - (B) more than 50% of the qualified electors of the district; or
    - (ii) with respect to proceedings to annex new area:
      - (A) the owners of more than 50% of the taxable value of the taxable property within the area to be annexed; or
      - (B) more than 50% of the qualified electors of the area to be annexed.
  - (b)
    - (i) The determination of owners, properties, and taxable value under Subsection (2)(a) shall be according to the assessment rolls last completed before the adoption of the resolution proposing the addition of services or annexation.
    - (ii) The determination of qualified electors under Subsection (2)(a) shall be from the registration lists last made or revised before the adoption of the resolution proposing the addition of services or annexation.
- (3) (a) Notwithstanding Subsection (1), the notice, hearing, and protest requirements of Sections 17A-2-1307, 17A-2-1308, and 17A-2-1309 do not apply if a petition for additional services or annexation of additional area is filed with the governing body of the special service district containing the signatures of all owners of all taxable real property:
- (i) within the special service district, if the petition is for additional services; or
  - (ii) within the area proposed to be annexed, if the petition is for annexation of additional area.
- (b) For purposes of Subsection (3)(a), the owners of taxable property shall be determined according to the assessment roll last completed before the filing of the petition.
- (4) (a) If the governing authority adopts a resolution approving the annexation of additional area, the governing authority shall, within 30 days after adopting the resolution, file a notice with the lieutenant governor.
- (b) The notice required under Subsection (4)(a) shall:
- (i) be accompanied by:
    - (A) a copy of the resolution adopted by the governing authority approving the annexation of additional area; and
    - (B) a map showing the additional area to be annexed by the special service district, prepared and certified by a licensed surveyor and filed with the county surveyor in accordance with Section 17-23-17; and
  - (ii) include a certification by the governing authority that all requirements for the annexation of the additional area have been complied with.

- (c) Upon the lieutenant governor's issuance of the certificate of boundary change under Section 67-1a-6.5, the additional area that is the subject of the governing authority's resolution is annexed to the special service district.

**17A-2-1328. Discontinuance of service.**

The governing authority of a service district may, by resolution and without dissolving the district, discontinue a specified type of service supplied by the district unless at the time of the discontinuance the district has outstanding bonds payable in whole or in part from the fees and charges imposed for the services to be discontinued or is under contractual obligation to provide these services. If these bonds are outstanding, these services may be discontinued only if the bonds are paid, adequate provision is made for their payment, or, if the proceedings authorizing the issuance of the bonds so provided, the holders of the bonds agree to the discontinuance in accordance with procedures prescribed in the proceedings. If this contractual obligation exists, the services may be discontinued with the consent of all parties to the contract.

**17A-2-1329. Dissolution of district -- Withdrawal of area from district -- Notice to lieutenant governor.**

- (1) A special service district may not be dissolved nor areas withdrawn from the district if any bonds, notes, or other obligations of the district are outstanding and unpaid or if any contractual obligation to provide the services exists.
- (2) Subject to the limitation in Subsection (1), the governing authority of the special service district may by resolution:
  - (a) approve the dissolution of the district upon a determination that the district is no longer needed for the purposes for which it was formed; or
  - (b) approve the withdrawal of specifically described areas from the special service district upon a determination that these areas should not or cannot be supplied with the services of the special service district.
- (3)
  - (a) Within 30 days after the adoption of a resolution approving a dissolution or withdrawal under Subsection (2), the governing authority shall file a notice with the lieutenant governor.
  - (b) The notice required under Subsection (3)(a) shall:
    - (i) be accompanied by:
      - (A) a copy of the resolution adopted by the governing authority approving the dissolution or withdrawal; and

- (B) in the case of a withdrawal, a map showing the area to be withdrawn, prepared and certified by a licensed surveyor and filed with the county surveyor in accordance with Section 17-23-17; and
- (ii) include a certification by the governing authority that all requirements for the dissolution or withdrawal have been complied with.
- (c) (i) Upon the lieutenant governor's issuance of the certificate of dissolution under Section 67-1a-6.5, the special service district is dissolved.
- (ii) Upon the lieutenant governor's issuance of the certificate of withdrawal, the area to be withdrawn that is the subject of the governing authority's resolution is withdrawn from the special service district.

**17A-2-1330. Other districts not affected -- Election by other districts to become service districts.**

- (1) The adoption of this part shall not affect the existence or operation of any improvement district operating under authority of Title 17B, Chapter 2a, Part 4, metropolitan water district, water conservancy district, county service area, drainage district, fire protection district, or other district in existence on July 1, 1975; and, except as otherwise provided in Sections 17B-2a-204 and 17B-2a-302, such districts may continue to be established pursuant to existing laws authorizing the same. Any such district existing on July 1, 1975, or established afterwards which provides services of the type permitted by this part for service districts may elect to become a service district and be governed by the provisions of this part upon:
  - (a) adoption of a resolution or ordinance by the governing authority of the district so electing; and
  - (b) establishment of a new service district to supply the same services as the former district to the same area as the former district after compliance with the procedures for the establishment of service districts provided for in this part.
- (2) Any outstanding bonds, notes or other obligations of any former district described in Subsection (1) shall become the bonds, notes, and obligations of the new service district with like effect as if issued by the service district; and any election authorizing the issuance of bonds of the former district shall have like effect as a bond election held under this part. Taxes in the amount and at the rate levied by the former district in the tax year preceding the change to the service district may continue to be levied by the service district without authorization at an election in the service district. No increase in the rate of these taxes shall be made unless an election authorizing the increase is held as provided for in this part; except that if any outstanding bonds are payable from taxes,

the service district may levy such taxes as are necessary to pay the principal of and interest on these bonds without limit as to rate or amount and without an election.

**17A-2-1331. Part controlling in conflict of laws.**

To the extent that any one or more provisions of this part shall be in conflict with any other law or laws, the provisions of this part shall be controlling.

**17A-2-1332. Validation of creation and prior actions of districts.**

All service districts created before March 29, 1983, and all bonds and notes issued by such districts and all proceedings had in the authorization and issuance of such bonds and notes before March 29, 1983, and the security for them are hereby validated, ratified, and confirmed; and all these service districts are declared to be validly existing and all these bonds, notes, agreements, and security constitute legally binding obligations of the service districts in accordance with their terms.